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Chong Hing Bank Announces 2018 Annual Results

Chong Hing Bank Limited (“Chong Hing Bank” or the “Bank”; stock code: 01111) announced its annual results for the year ended 31 December 2018. The Bank’s core businesses and overall financial position remained strong, its asset quality and capital base were sound, resulting in record-high operating income and profit attributable to equity owners. The Bank’s Mainland business achieved stable and healthy growth, and its contribution to the Bank’s financial performance has continued to increase.

During the past five years, Chong Hing Bank has undergone healthy and rapid development. As at end 2018, total assets reached HK\$190.6 billion, 2.2 times that of 2013. Operating income and profit before tax were HK\$3.69 billion and HK\$2.11 billion respectively, 2.6 times and 3.1 times of 2013 respectively. The Return on shareholders’ equity increased from 7.40% in 2013 to about 10% in 2018. Non-performing loan ratio was 0.35%, far lower than the Hong Kong industry average of about 0.6%.

The Bank’s 2018 operating results are highlighted as follows:

- Operating profit after impairment allowances amounted to HK\$1,959 million, an increase of 99% year-on-year.
- Profit before tax was 23% higher than 2017 to HK\$2,105 million.
- Profit attributable to equity owners amounted to HK\$1,760 million, an increase of 12% over that of last year.
- Cost to income ratio was at 42.02%.
- Return on shareholders’ equity of 9.47% (9.89% in 2017) and earnings per share of HK\$2.14 (HK\$2.16 per share in 2017).
- Total assets increased by 16% to HK\$190.6 billion.

The major financial ratios for 2018 are as follows:

- Return on shareholders’ equity: 9.47%
- Average liquidity maintenance ratio: 44.49%
- Total capital ratio: 19.01% as of 31 December 2018
- Tier 1 capital ratio: 15.19% as of 31 December 2018
- Loan to deposit ratio: 67.95% as of 31 December 2018

- Total dividends for the financial year of 2018, including the interim cash dividend of HK\$0.17 per share paid in October 2018, amounted to HK\$ 0.58 per share (2017 total dividends: HK\$0.54 per share).

Mr Zong Jianxin, Chief Executive of Chong Hing Bank, said, ‘Chong Hing Bank will progressively carry forward its five-year strategic plan and actively allocate resources to strengthen risk management, support business expansion, promote digital transformation and establish competitive advantages in cross-border business. By so doing the Bank is laying down a solid foundation for its stable and sound development and realising the corporate vision of establishing itself as “an integrated commercial bank with cross-border expertise”. Looking ahead, Chong Hing Bank will grasp the growth opportunities arising from China’s Guangdong-Hong Kong-Macao Greater Bay Area development plan, offering distinctive and differentiated cross-border financial products and services, and further deepen the synergies available and proactively expand its Mainland operation by capitalising on abundant resources of the substantial shareholder Yuexiu Group. The Bank will also continuously optimise the aggregation payment platform functions of e-banking in Hong Kong and the Mainland through construction of the digital banking platform, offering more convenient cross-broader payment, wealth management and financial services for customers in Hong Kong and the Mainland.’

Mr Zhang Zhaoxing, Chairman of Chong Hing Bank, said, ‘The year 2018 was one of steady growth for Chong Hing Bank. Embracing the core values of “Exceed Excel”, Chong Hing Bank managed to achieve satisfactory performance by maintaining a clear focus on its strategic vision and constantly striving for dynamic development. Riding on the extra effort devoted to national financial reforms, new policies are expected and fresh opportunities for the financial sector will be created. Chong Hing Bank will pay close attention to all changes in the market environment, and strive to scale new heights in its business and operational performance. Chong Hing Bank will continue to set up its Mainland network and make every effort to establish a Shanghai Branch in a timely manner as the first key step to entering the national market. It will then move towards the goal of establishing a Mainland incorporated bank and solidly build into an integrated commercial bank with nationwide operations.’

For details of the 2018 annual results, please refer to the Bank’s announcement.

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About Chong Hing Bank

Chong Hing Bank Limited was founded in 1948. The Bank has been listed on the mainboard of the Stock Exchange of Hong Kong (Stock code: 01111) since 1994 and currently operates a network of 39 branches in Hong Kong. Together with its subsidiaries (Chong Hing Securities Limited and Chong Hing Insurance Company Limited), the Bank offers a wide range of banking services to individual and corporate customers, which include HKD and foreign currency deposits, credit, wealth management, investment, securities, insurance and other commercial banking products. Besides, the Bank joined hands with a number of local financial institutions and is one of the founding members of BCT group which provides a full range of mandatory provident fund services to customers. The Bank has branches in Guangzhou, Shenzhen, Shantou and Macau, sub-branches in Guangzhou Tianhe, Foshan, Nansha and Hengqin, and representative offices in Shanghai and San Francisco.

Chong Hing Bank has been a member of Yuexiu Group since 14 February 2014. Yuexiu Group was established in Hong Kong in 1985. As at the end of 2018, Yuexiu Group had total assets of RMB595.3 billion, making it one of the leading state-owned enterprise groups in Guangzhou in terms of economic efficiency.

For other information about Chong Hing Bank, please go to the Bank’s website www.chbank.com.

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